

Message Text

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63

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

AID-05 COME-00 EB-07 FRB-01 TRSE-00 XMB-04 OPIC-06

CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 TAR-01 STR-04

CEA-01 /112 W

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R 141855Z APR 75

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 7195

INFO AMCONSUL CIUDAD JUAREZ

AMCONSUL HERMOSILLO UNN

AMCONSUL MATAMOROS UNN

AMCONSUL MONTERREY UNN

AMCONSUL NUEVO LAREDO UNN

AMCONSUL TIJUANA UNN

UNCLAS MEXICO 3204

E.O. 11652: N/A

TAGS: ETRD, MX

SUBJ: RESTRICTION ON BOURBON IMPORTS IN CIUDAD JUAREZ LIFTED

1. DUTY-FREE IMPORTATION INTO FREE ZONES OF MEXICO ARE CONTROLLED BY DECENTRALIZED COMMITTEES -- COMITES DE PROMOCION ECONOMICA -- COMPRISED OF LOCAL REPRESENTATIVES OF SECRETARIATS OF TREASURY, INDUSTRY AND COMMERCE, AND AGRICULTURE. GLOBAL LIMITS BY CATEGORY ARE SET FOR EACH REGION BY INTERSECRETARIAL COMMISSION FOR BORDER DEVELOPMENT IN MEXICO CITY BUT DECENTRALIZED COMMITTEES ADMINISTER ISSUANCE OF IMPORT PERMITS. COMMITTEE CAN ISSUE PERMITS FOR IMPORTATION OF ALCOHOLIC BEVERAGES TO DISTRIBUTORS, LIQUOR STORES, RESTAURANTS, NIGHT CLUBS, ETC., BUT TOTAL MAY NOT EXCEED MAXIMUM FOR REGION SET BY INTERSECRETARIAL COMMISSION. PRODUCTS ENTERING FREE ZONES UNDER THIS GOVERNMENT PROGRAM -- "ARTICULOS GANCHO" -- UNCLASSIFIED

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MUST BE CONSUMED WITHIN BORDER AREA AND MAY NOT ENTER INTERIOR OF

MEXICO. BOURBON ENTERING DUTY-FREE FOR SALE IN FREE ZONES IS OVER AND ABOVE QUOTA SET FOR INTERIOR WHICH FOR 1975 IS 45,000 CASES.

2. IN SECOND HALF OF 1974, COMITE DE PROMOCION ECONOMICA IN CIUDAD JUAREZ STOPPED GRANTING IMPORT PERMITS FOR AMERICAN BOURBON ON GROUNDS THAT "TWO DISTILLERIES FOR AMERICAN-TYPE WHISKY ARE OPERATING IN THE CITY AND SATISFY REGIONAL NEEDS". COMITE WAS REFERRING TO D.M. AND D.W. BASTILLERIES WHICH PRODUCE WHISKIES WITH CHARACTERISTICS SIMILAR TO BOURBON. RENE MASCARENAS, OWNER OF D.W. DISTILLERY CO., PRODUCER OF WATERFILL AND FRAZIER WHISKY, WAS INSTRUMENTAL IN CLOSING BORDER TO BOURBON AT JUAREZ. HE EXERCISES POWERFUL LOCAL INFLUENCE.

3. AMERICAN CONSUL IN JUAREZ INVESTIGATED SITUATION LOCALLY AND DISCOVERED THAT DESPITE IMPORT RESTRICTION US BOURBON WAS AVAILABLE IN SUPERMARKETS AND LIQUOR STORES, POSSIBLY FROM STOCKS ON HAND PRIOR TO RESTRICTION. HE REPORTED SEEING JACK DANIELS, OLD CROW, OLD KENTUCKY TAVERN, YELLOWSTONE, WILD TURKEY, OLD THOMPSON AND OTHER BRANDS. RESTAURANTS CATERING TO TOURISTS WERE ALSO REPORTED TO HAVE AMPLE STOCKS OF US BOURBON ON HAND.

4. ONCE ALERTED TO PROBLEM, EMBASSY RAISED ISSUE WITH APPROPRIATE GOM OFFICIALS. IT WAS ARGUED THAT ARBITRARY DECISION BY LOCAL IMPORT COMMITTEE IN JUAREZ WAS IN DIRECT CONFLICT WITH SPIRIT OF NOT LETTER OF DECREE RECOGNIZING BOURBON AS A DISTINCT PRODUCT OF THE UNITED STATES PUBLISHED IN OFFICIAL GAZETTE ON MAY 8, 1974. INTERSECRETARIAL COMMISSION AGREED TO UNDERTAKE REVIEW OF LEGALITY OF ACTION BY ITS IMPORT COMMITTEE IN JUAREZ.

5. ING. GILBERTO RUIZ ALMADA, PRESIDENT OF INTERSECRETARIAL COMMISSION AND AN UNDER SECRETARY OF TREASURY, ADVISED EMBASSY LAST WEEK THAT REVIEW HAD BEEN COMPLETED AND DECISION BY JUAREZ COMMITTEE TO RESTRICT BOURBON IMPORTS IS OVERTURNED. HE STATED THAT, EFFECTIVE APRIL 14, JUAREZ IMPORT COMMITTEE WILL ONCE AGAIN BEGIN TO ISSUE DUTY-FREE PERMITS FOR BOURBON.

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6. EMBASSY HAS NOTIFIED ADMIRAL MARSHALL, DIRECTOR OF BOURBON INSTITUTE OF ABOVE AND HE OFFERED TO PASS GOOD NEWS TO ALL INSTITUTE MEMBERS. SHOULD IMPORTERS OF BOURBON IN JUAREZ AREA ENCOUNTER ANY PROBLEMS IN OBTAINING IMPORT PERMITS FROM LOCAL COMMITTEE AFTER APRIL 14, EMBASSY WOULD LIKE TO BE INFORMED IN ORDER TAKE NECESSARY ACTION AND ENSURE LOCAL COMPLIANCE WITH FEDERAL DICTATE.

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